

Proposed  
New Comparability Cash Balance Plan  
FOR THE PLAN YEAR 01/01/2007 THROUGH 12/31/2007

Cross-tested Cash Balance Plan PLUS Profit Sharing Plan WITH 401(k) Deferrals permitted.

- Top-Heavy Minimum Benefit requirement is met in Profit Sharing Plan (total Employer contribution at least 5% allocation).
- Safe-Harbor 401(k) ADP test is met in Profit Sharing Plan (Non-Eligible Safe Harbor contribution at least 3% allocation).
- Gateway test for Cash Balance Plan Cross-testing is met by Profit Sharing Plan + Cash Balance Plan (generally at least 7.5% allocation, but may be lower).
- Total contribution (Cash Balance Plan PLUS Profit Sharing Plan) is less than the 25% of Covered Payroll total deductibility limit OR Profit Sharing Plan is less than 6% of Covered Payroll deductibility limit.

EMPLOYEE NAME	SEX	DATE OF BIRTH	DATE OF HI RE	PLAN CONSIDERED				CASH BALANCE HYPOTHETICAL ALLOCATION		PROFIT SHARING ALLOCATION		NON-ELECTIVE SAFE HARBOR ALLOCATION		401(k) ALLOCATION		CATCH UP 401(k) ALLOCATION		TOTAL EMPLOYEE ALLOCATION		
				COMPENSATN	AGE	PS	TS	RA	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Age 35 owner-1	M	07/01/72	01/01/02	225,000	35	6	33	62	56,995	25.33	4,150	1.84	0	0.00	15,500	6.89	0	0.00	76,645	34.06
Age 30 employee-01	M	07/01/77	01/01/06	30,000	30	2	34	62	150	0.50	2,550	8.50	900	3.00	0	0.00	0	0.00	3,600	12.00
Age 30 employee-02	M	07/01/77	01/01/06	30,000	30	2	34	62	150	0.50	2,550	8.50	900	3.00	0	0.00	0	0.00	3,600	12.00
Age 35 employee-01	M	07/01/72	01/01/06	35,000	35	2	29	62	175	0.50	2,975	8.50	1,050	3.00	0	0.00	0	0.00	4,200	12.00
Age 35 employee-02	M	07/01/72	01/01/06	35,000	35	2	29	62	175	0.50	2,975	8.50	1,050	3.00	0	0.00	0	0.00	4,200	12.00
Age 40 employee-01	M	07/01/67	01/01/06	40,000	40	2	24	62	200	0.50	3,400	8.50	1,200	3.00	0	0.00	0	0.00	4,800	12.00
TOTALS:				395,000					57,845		18,600		5,100		15,500		0		97,045	

404 Deductibility Limit is satisfied if either:

1. Cash Balance Plan + Profit Sharing + Safe Harbor <= 25% of Covered Payroll:

$$( 57,845 + 18,600 + 5,100 ) = 81,545 <= 98,750$$

OR 2. Profit Sharing + Safe Harbor <= 6% of Covered Payroll:

$$( 18,600 + 5,100 ) = 23,700 <= 23,700$$

NOTE: Cash Balance Plan is Cross-Tested with 401(k) Plan, so 401(k) Plan is REQUIRED, not optional.